

*Planning and Conservation League
Community Environmental Council
Center for Energy Efficiency and Renewable Technologies
California Communities Against Toxics
Sierra Club California*

June 13, 2007

Linda Adams
Secretary for Environmental Protection
California Environmental Protection Agency
1001 I Street
Sacramento, CA 95812

Re: Early Action Measures – Electricity Sector

Dear Secretary Adams:

The Center for Energy Efficiency and Renewable Technologies (CEERT) appreciates the opportunity to offer our recommendations for early action greenhouse gas emission reduction measures in the electric energy sector to the California Climate Action Team.

The California Air Resources Board (CARB) and the California Public Utilities Commission (CPUC) have identified schedules for developing the input and “guidelines” needed for establishing a GHG emissions cap on all major sources, including the electricity and natural gas sectors, to reduce statewide emission of GHGs to 1990 levels as required by AB 32. While these guidelines are being developed, actual resource choices will be made now through the planning period that have the opportunity to put the state’s electric power providers on course for meeting the state’s GHG reduction goals.

The state’s energy agencies, and the Climate Action Team, have agreed that the energy efficiency, distributed generation and renewable programs currently underway at the CPUC and CEC are a sufficient contribution from the electric sector to meet AB 32 goals. These programs are not performing as expected. The IOUs stated in their 2006 procurement plans that they do not expect to meet the targets of these programs, and specifically that a 33% RPS is difficult or impossible. Meanwhile, 4,700 megawatts of new gas-fired generation have been approved for construction throughout the state, some of which will be located in low-income, disproportionately impacted communities. A new approach is needed.

A New Energy Paradigm

Achieving both the AB 32 goals and those of S-3-05 in the electric sector will require that our energy system be quite different than it is today. All new load growth must be met with a combination of renewables and demand-side management while gradually eliminating emissions from coal-fired generation. Large-scale procurement of renewable energy resources will be necessary. The state’s transmission system will require substantial upgrades in order to access

the renewable energy resources that are needed to reduce GHG emissions. Energy efficiency, demand response and ultra-clean distributed generation will all play a much larger role in relieving demand. Some existing gas-fired generators may have to be operated differently.

To meet the requirements of AB 32, these changes must occur in a very short period – 13 years. In order to meet the state’s target, decisions about the electric energy resources on which the state will rely in 2020 must be made *in the next year*.

AB 32 Electric Energy Resource Subcommittee and Plan

The California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) have embarked on a process to identify and assess the state’s competitive renewable energy resource zones and related transmission infrastructure requirements. The primary renewable resource zones will include: wind in Kern County, solar and wind in the Greater Mohave, geothermal in Imperial Valley and bio-energy in the San Joaquin Valley. The Center for Energy Efficiency and Renewable Technologies is facilitating this effort.

Detailed transmission plans, however, require policy decisions to develop the resources in order to be useful. We urge the Climate Action Team to task its electricity subcommittee and plan to make policy decisions associated with this assessment. The subcommittee should address two primary policy questions, namely which renewable resource areas should be developed and how much electricity from these resources will be required to meet the state’s 2020 and 2050 global warming reduction goals.

The electricity subcommittee should be kept apprised of the progress of the CEC and CPUC’s renewable resource assessment and provided with information as it becomes available. By mid-2008 the CAT should be prepared to make at least the initial policy decisions based on that assessment so that transmission planning can begin in earnest. Information on the costs and benefits of renewable energy alternatives adequate to provide the basis for these decisions will likely be available within the next 12 months.

Recommendations of the Environmental Justice Advisory Committee

CEERT fully supports the recommendations of the Environmental Justice Advisory Committee to the Climate Action Team for early actions in the electric energy sector. These are listed below.

- 1) *Quantify and publicly provide the air emission and cumulative impacts of new power plant construction in CA and report to CARB the implications to the achievement of the state’s climate and air quality goals;*
- 2) *Require proponents of new power plant construction to conduct a thorough and robust renewable energy alternatives assessment. If a more carbon-beneficial combination of energy producing or saving sources is available, then the utility should be required to pursue that avenue. This process should begin with all currently approved and expected power plants;*

- 3) *Report to CARB on the progress of existing renewable energy deployment programs and identify obstacles to the achievement of the state's renewable energy goals;*
- 4) *Perform an audit, to be publicly available, of existing and planned low-income rate assistance, energy efficiency, solar, and green building programs and identify barriers that impede local community participation.*

The second recommendation would tie the determination of need for new power plants to the state's global warming law by requiring power plant proponents to pursue more environmentally sound alternatives. The other three recommendations would provide CARB and the public with crucial information about actual progress toward greenhouse gas reductions in the electric sector and the success of existing programs. These policy recommendations are all critical to sound, integrated resource planning and effectuating the loading order of resources, while minimizing air pollution impacts. The statewide coordinating effort CEERT recommends will compliment these important environmental justice recommendations.

Thank you for considering these comments.

Sincerely,

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cc: Members, Climate Action Team